

**REMARKS BY U.S. ATTORNEY PATRICK MEEHAN
REGARDING CONVICTIONS IN CITY CORRUPTION TRIAL
5/10/05**

Today, in an important victory for the people of Philadelphia and the entire region, this jury has stated loudly and clearly that government is not for sale.

About 10 months ago, I called the charging of the 12 individuals in this case an indictment of a “culture that breeds corruption.”

With this verdict, a jury has confirmed that such a culture - one that endorses and even embraces a “pay to play” model for doing business - must be changed.

This verdict is a victory for good government. It is also a victory for honest public officials, and for honest businesses that don’t try to buy the right to do city work.

This verdict says that the “pay to play” system should not be accepted as simply how business gets done or, in the words of Corey Kemp, “the way it is.”

The people of this city have the right to expect honesty from their appointed and elected officials. Gifts, loans or other benefits given to influence government decision makers, cannot ride roughshod over qualifications or the best interests of the city. If they do - we are all being cheated. It's our job to hold public officials, and those who corrupt them, accountable when they cross the line.

These guilty verdicts do just that, but in many ways the issue is much larger than the parties to this case. It is about the whole pay-to-play-system and impact on the city of Philadelphia and our region. If entrepreneurs with new energy and new ideas are discouraged from being part of the city's future because the game is rigged and the assets have been sold to the highest bidder, then we all lose.

It's not just about public officials. Corruption does not take place in a vacuum, corruption does not take root without individuals or companies willing to pay. This verdict should send a message to all businesses and corporations doing business with municipalities. Not only were two Commerce Bank officials convicted, but back in January two J.P. Morgan executives plead guilty for similar criminal conduct.

When it comes to the people's business, honesty should be the rule rather than the exception.

The creation of a culture of corruption is a disservice to the legions of honest public servants who work each day in municipal government, and mostly to the taxpayers, who turn over their hard earned dollars in trust.

I am very proud of the investigators, the prosecutors and the support staff who have persevered throughout the course of this investigation and prosecution.

A great deal has been accomplished.

First, besides these verdicts, nearly a dozen others have pled guilty or been convicted for crimes relating to the public trust.

Second, there already has been a change in the Municipal Securities industry, with a proposal to the SEC that underwriters be banned from hiring consultants, such as the late Ron White.

Finally, this investigation has brought pay-to-play out of the shadows and into the sunlight.

The challenge is where we go from here. Our work will continue. But real change will not come from federal investigations alone.

Public officials, civic leaders, corporate leaders all have a responsibility to consider the implications of these verdicts and what they might do to fix the problems they expose.